

**Back room deals are
never good. No matter
how dark the room is...**



Bid Rigging and Collusion

In bid rigging and collusion, contractors misrepresent that they are competing against each other when, in fact, they agree to cooperate on the winning bid to increase job profit.

**Recognize and Report Fraud in
Federally Funded Programs,
Contracts, and Grants**

(800) 424-9071

*U.S. Department of Transportation
Office of Inspector General*

Selected “Red Flag” Indicators of Bid Rigging and Collusion

- ✓ Unusual bid patterns: too close, too high, round numbers, or identical winning margins or percentages
- ✓ Different contractors making identical errors in contract bids
- ✓ Bid prices dropping when a new bidder enters the competition
- ✓ Rotation of winning bidders by job, type of work, or geographical area
- ✓ Losing bidders hired as subcontractors
- ✓ Apparent connections between bidders: common addresses, personnel, or telephone numbers
- ✓ Losing bidders submitting identical line-item bid amounts on nonstandard items
- ✓ Persistent high prices by all bidders
- ✓ Joint venture bids by firms that usually bid alone
- ✓ Losing bids do not comply with bid specifications or only one bid is complete and other bids are poorly prepared

Contact OIG using any of the following methods:

Online complaint form: www.oig.dot.gov/hotlineform.jsp

Telephone: (800) 424-9071

Fax: (540) 373-2090

E-mail: hotline@oig.dot.gov

Mail: USDOT Inspector General
P.O. Box 708
Fredericksburg, VA 22404-0708

Note: The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT’s safety regulatory agencies for action, as appropriate.

